

WILLMAR CITY COUNCIL PROCEEDINGS
BOARD ROOM
HEALTH AND HUMAN SERVICES BUILDING
WILLMAR, MINNESOTA

August 6, 2018
7:00 p.m.

The regular meeting of the Willmar City Council was called to order by the Honorable Mayor Marv Calvin. Members present on a roll call were Mayor Marv Calvin, Council Members Audrey Nelsen, Ron Christianson, Kathy Schwantes, Fernando Alvarado, Julie Asmus, Shawn Mueske, and Andrew Plowman. Present 8, Absent 1. Council Member Rick Fagerlie was excused from the meeting.

Also present were City Administrator Ike Holland, Police Chief Jim Felt, Planning and Development Services Director Bruce Peterson, Finance Director Steve Okins, Public Works Director Sean Christensen, Fire Chief Frank Hanson, Human Resource Director Samantha Beckman, City Clerk Judy Thompson and City Attorney Robert Scott.

Proposed additions to the agenda included: Council Member Nelsen added Non-Union Base Pay and Health Insurance 2018-2020; and Duluth Lake Superior Lighthouse. These items were brought forward from the Work Session held earlier this evening.

Council Member Mueske moved to approve the agenda, as amended. Council Member Asmus seconded the motion which carried.

City Clerk Judy Thompson reviewed the consent agenda.

- A. City Council Meeting Minutes of July 16, 2018
- B. Willmar Municipal Utilities Board Minutes of July 23, 2018
- C. Carris Health – Rice Memorial Hospital Board Minutes of July 16, 2018
- ~~D. Planning Commission Minutes of July 18, 2018~~
- E. Application for Exempt Permit – Willmar High School Trap Team
- F. Application for Exempt Permit – West Central Ducks Unlimited
- G. Application for Exempt Permit – Knights of Columbus
- H. **Resolution No. 18-93 Accepting CenterPoint Energy Community Partnership Grant**
- I. State Temporary Liquor Permit – Foxhole Brewhouse Inc.
- J. Building Report for the Month of June, 2018
- ~~K. Accounts Payable July 12 – August 1, 2018~~
- L. Application to the Human Rights Commission – Lilbon Clark IV

Council Member Nelsen offered a motion to approve the Consent Agenda. Council Member Alvarado asked that Item D. be removed for discussion. Council Member Asmus asked that Item K. be removed for discussion. Council Member Asmus seconded the motion to approve the consent agenda, with the removal of Item D. and Item K., which carried on a roll call vote of Ayes 7, Noes 0.

Council Member Alvarado asked for clarification of the Willmar Public Schools and Community Christian School Sign Proposals. He inquired if Garfield School is included in the proposal, and also if the signs would be dimmed down during specific hours.

Planning and Development Services Director Bruce Peterson stated Garfield School is included in the proposal. He stated the signs are pretty unobtrusive even when lit, but this issue could be addressed if necessary.

Council Member Alvarado also asked about the progress of privacy fencing being installed for the new 1st Street Dairy Queen and 1st Street Kwik Trip to address complaints regarding the screening that is required to be installed between commercial properties and abutting residential properties.

Planning and Development Services Director Bruce Peterson stated this issue is being addressed and his department will be following up on the progress. Mayor Calvin stated he noticed some fencing has been installed as of this afternoon.

Following clarification, Council Member Alvarado offered a motion to approve Item D. as presented. Council Member Mueske seconded the motion which carried.

Council Member Asmus asked for clarification on the purchase of Ford Explorers for the Police Department. She stated four of the five are being purchased from Atwater Ford and one is being purchased from Hibbing Ford, and inquired as to why all are not being purchased from Atwater Ford.

Police Chief Jim Felt stated the one from Hibbing Ford was ordered in January 2018 under state bid, prior to the discussion and decision to purchase locally.

Following clarification, Council Member Asmus offered a motion to approve Item K. as presented. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

No one was present to speak during the open forum.

Willmar Fests Chairman James Miller stated the 2019 Willmar Fests Royalty have already participated in 18 different events since being crowned in June. Queen of Festivals Leslie Alvarez, International Princess Staci Banks, and Aqua Princess Carly Hulstein introduced themselves to the Mayor and Council and touched on some of the events they have attended since becoming the new royalty. The Mayor and Council thanked them for their attendance and for being great representatives for Willmar.

At 7:11 p.m. Mayor Calvin opened the public hearing for the establishment of new recreation department ordinance. Human Resource Director Samantha Beckman stated City Charter Section 2.12, subd. 1 (A) requires an ordinance be adopted in order to “establish, alter, or abolish any City department, office or agency.” This ordinance will need to be passed prior to the dissolution of the WCER agreement, tentatively set for September 1, 2018.

There being no one present to speak for or against the proposed ordinance, Mayor Calvin closed the hearing at 7:13 p.m. and opened it up for discussion by the Council. Council Member Christianson offered a motion to approve the proposed ordinance, adopt, assign a number and order final publication of **Ordinance No. 1422 An Ordinance Establishing a New Recreation Department**. Council Member Mueske seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

At 7:14 p.m. Mayor Calvin opened the public hearing for an ordinance establishing a process for disposition of surplus equipment. City Attorney Robert Scott stated the ordinance formally establishes a process for the City Council to declare by resolution certain equipment to be surplus to the City’s needs, and authorizes the disposition of such surplus equipment by any legal means, including at the City’s annual public auction. The ordinance also authorizes the police department to dispose of forfeited property pursuant to statutory processes without need for the council to declare such forfeited items to be surplus, and for administrative ease, authorizes the City Clerk to sign the purchase agreements.

There being no one present to speak for or against the proposed ordinance, Mayor Calvin closed the hearing at 7:15 p.m. and opened it up for discussion by the Council. Council Member Plowman offered a motion to approve the proposed ordinance, adopt, assign a number and order final publication of **Ordinance No. 1423 An Ordinance of the City of Willmar, Minnesota Adopting City Code Chapter 2, Administration, Article V, Sale of Surplus Property**. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Kandiyohi County Housing and Redevelopment Authority Director Jill Bengston stated the City has been awarded Small Cities Development Program funds in the amount of \$1,205,177 for downtown commercial rehab, northside owner-occupied rehab and Hanson Apartments rehab. Because the City has been awarded

federal HUD Community Development Block Grant funding through the Minnesota Department of Employment and Economic Development Small Cities Development Program, there are a number of policies the City is required to adopt to comply with regulations governing the federal funding.

Following discussion, **Resolution No. 18-94 Adopting Fair Housing Plan** was introduced by Council Member Nelsen. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Resolution No. 18-95 Adopting Displacement Minimization Plan and Residential Antidisplacement and Relocation Assistance Plan was introduced by Council Member Nelsen. Council Member Alvarado seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Resolution No. 18-96 Adopting a Section 3 Plan was introduced by Council Member Nelsen. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Resolution No. 18-97 Prohibition of Excessive Force Policy was introduced by Council Member Nelsen. Council Member Alvarado seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Resolution No. 18-98 Adopting Willmar Small Cities Development Program, Program Income and Local Income Generated Policy was introduced by Council Member Nelsen. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Planning and Development Services Director Bruce Peterson presented a request from Community Christian School to rezone property from R-2 (One and Two-Family Residential) to G/I (Government/Institution). It was noted, Planning Commission held a public hearing on the matter on July 18, 2018, and they approved the request as presented.

Following discussion, Council Member Christianson **introduced an Ordinance Amending Municipal Ordinance No. 1060, the Willmar Zoning Ordinance**, and set a public hearing for August 20, 2018 at 7:01 p.m. Council Member Nelsen seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Human Resource Director Samantha Beckman presented a request to approve nonunion employees' 2018 through 2020 base pay and health insurance contributions. Ms. Beckman stated while 2018 benefits are already in place, nonunion health insurance still needs to be addressed for 2019 through 2020. Nonunion employees' base pay and base pay ranges would be increased by two (2%) percent each year, same as the union contracts.

Following discussion, **Resolution No. 18-99 Approving NonUnion Employees' 2018 Through 2020 Base Pay and Health Insurance Contributions** was introduced by Council Member Mueske. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Council Member Plowman presented a request for the Council to consider authorizing Mayor Calvin to submit a letter of interest to the U.S. General Services Administration for the Lake Superior lighthouse that sits at the end of the south breakwater adjacent to the Duluth Aerial Lift Bridge. Council Member Plowman offered a motion to approve the Mayor submit a letter of interest to the Federal General Service Administration and the State Historic Preservation Office vying for the opportunity to receive an application from the National Park Service and be given an opportunity to inspect the light station. Council Member Asmus seconded the motion, which carried on a roll call vote of Ayes 7, Noes 0.

Mayor Calvin requested the Work Session for Monday, August 13, 2018 be suspended and any items currently on the proposed agenda be moved to the August 20, 2018 Work Session Agenda. Following discussion, Council Member Mueske offered a motion to suspend the August 13, 2018 Work Session. Council Member Plowman seconded the motion, which carried on a roll call vote of Ayes 4, Noes 3. Council Members Nelsen, Christianson, and Alvarado voted "no".

City Administrator Ike Holland offered the following comments: Rockin' Robbins final concert is tomorrow night; employee pool party was rained out this past weekend and will be rescheduled; and Kandiyohi County Fair will be held this week.

Mayor Calvin offered the following comments: Primary Election will be held Tuesday, August 14th; he attended a county candidate forum sponsored by the League of Women Voters which was very well attended and great conversations were held; last concert for Rockin' Robbins will be tomorrow evening at Robbins Island and he urged everyone to attend.

Council Member Alvarado reminded everyone National Night Out will be held tomorrow evening and there is an event being held at Garfield School and urged everyone to stop by.

Council Member Asmus thanked the Municipal Utilities for the fabulous open house held last week and stated there was a great turnout for this event.

Council Member Plowman reminded everyone of the upcoming primary election which will be held on Tuesday, August 14th and urged everyone to get out to vote.

Council Member Christianson stated he has been amazed at the great turnout for the Rockin' Robbins concerts this year, and urged everyone to attend tomorrow night.

At this time, Mayor Calvin announced the Council will go into Executive Session. Mayor Calvin stated the agenda item for the Executive Session is consideration of offers or counteroffers for the (purchase/sale) of real property to be sold by the City (Parcel Nos. 95-920-0010 and 95-920-0035) pursuant to State Statute §13D.05, subd. 3(c). Council Member Asmus offered a motion to close the meeting at 7:45 p.m. Council Member Alvarado seconded the motion which carried.

At 7:50 p.m. Mayor Calvin recessed the closed meeting.

At 7:59 p.m. Council Member Mueske offered a motion to return to closed session. Council Member Asmus seconded the motion which carried.

At 8:33 p.m. Mayor Calvin re-opened the meeting.

Council Member Nelsen offered a motion to adjourn the meeting with Council Member Asmus seconding the motion which carried. The meeting adjourned at 8:33 p.m.

s/s Marv Calvin

MAYOR

Attest:

s/s Judy Thompson

SECRETARY TO THE COUNCIL

RESOLUTION NO. 18-93

**RESOLUTION AUTHORIZING ACCEPTANCE OF GRANT FROM CENTERPOINT ENERGY
FOR \$2,000 FOR POLICE DEPARTMENT EQUIPMENT PURCHASES**

Motion By: Mueske

Second By: Asmus

BE IT RESOLVED by the City Council of the City of Willmar to accept a grant from CenterPoint Energy in the amount of \$2,000 to purchase equipment for the Police Department.

Dated this 6th day of August, 2018

s/s Marv Calvin

MAYOR

Attest:

s/s Judy Thompson

CITY CLERK

RESOLUTION NO. 18-94

ADOPTING FAIR HOUSING PLAN

Motion By: Nelsen

Second By: Asmus

WHEREAS, the City of Willmar anticipates participating in the Minnesota Small Cities Development Program and through this participation, residential and commercial rehabilitation will occur; and

WHEREAS, the Minnesota Department of Employment and Economic Development requires communities participating in the Small Cities Development Program to undertake efforts to promote fair housing; and

WHEREAS, the City acting through the Kandiyohi County Housing and Redevelopment Authority hereby agrees to abide by and promote all Fair Housing Regulations during the years the grant is open and to report on activities undertaken to further Fair Housing;

NOW, THEREFORE BE IT RESOLVED that the City of Willmar, Minnesota, hereby adopts the Fair Housing Plan attached hereto as Exhibit A this 6th day of August, 2018.

s/s Marv Calvin

MAYOR

ATTEST:

s/s Judy Thompson

CITY CLERK

EXHIBIT A

City of Willmar Fair Housing Plan
Small Cities Development Program

The City of Willmar, Minnesota (hereinafter referred to as City) and the Kandiyohi County Housing and Redevelopment Authority (hereinafter referred to as HRA), acting on behalf of the City of Willmar, understand their obligations to further fair housing practices under the Housing and Community Development Act and other legislation and implementing regulations. Fair Housing is generally thought of as a condition in which individuals of similar levels in the same housing market area have a like range of housing choices available to them, regardless of race, color, religion, sex, national origin, handicap or familial status.

The City and/or HRA will undertake the following steps to further fair housing:

- The City and HRA will place fair housing posters at the City Offices located at 333 6th Street SW, Willmar, Minnesota, and at the HRA Offices located at 2200 23rd Street NE, Suite 2090, Willmar, Minnesota and at gathering places within the City where the public may congregate and which provide a bulletin board for postings. The City and HRA will also maintain such postings throughout the year.
- The City and HRA will have the HUD "Fair Housing It's Your Right" brochure available at the City Offices and at the HRA Offices.
- Place a fair housing discussion on the agenda of a future council meeting.
- The HRA will continue to incorporate the fair housing logo on HRA letterhead, rehabilitation application/outreach forms and other documents.

RESOLUTION NO. 18-95

**ADOPTING DISPLACEMENT MINIMIZATION PLAN AND
RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN**

Motion By: Nelsen

Second By: Alvarado

WHEREAS, the City of Willmar is participating in the Minnesota Department of Employment and Economic Development's Small Cities Development Program and through this participation, homeowner, commercial and rental rehabilitation will occur; and

WHEREAS, the consequence of the proposed activities is there is potential for displacement; and

WHEREAS, the purpose of the Displacement Minimization Plan and the Residential Anti-displacement Plan is to describe the steps the City shall take to mitigate the adverse effects of displacement on businesses and low and moderate income persons;

NOW, THEREFORE BE IT RESOLVED that the City of Willmar, Minnesota, hereby adopts the Displacement Minimization Plan and the Residential Anti-displacement and Relocation Assistance Plan as attached hereto this 6th day of August, 2018.

s/s Marv Calvin
MAYOR

ATTEST:

s/s Judy Thompson
CITY CLERK

Residential Anti-displacement and Relocation Assistance Plan

The City of Willmar is participating in the Minnesota Small Cities Development Program. The Homeowner, Commercial and Rental Rehabilitation Activities proposed in the project description are not expected to cause displacement; however, the City has adopted this plan should displacement occur. The purpose of this plan is to mitigate the adverse effects of displacement on commercial tenants and low and moderate income persons.

The City's plan is described as follows:

Minimize Displacement/Temporary Displacement – Temporary displacement occurs when people move out of their dwelling, business or property for a short period of time due to activities of the Small Cities Development Program. Temporary displacement most frequently occurs with housing and commercial rehabilitation projects. Actions that may be taken to minimize displacement include:

1. Rehabilitation activities will be performed in a manner which will minimize residential owner, tenants and commercial tenant inconvenience.
2. Utility shut-offs, if necessary, will be planned for times most convenient to residents and business owners.
3. Licensed lead contractors shall counsel occupants if any improvements involve lead paint surfaces (window replacement, for example) and are responsible to conduct the work according to lead-safe work practices. If it is determined that it is in the best interests of the occupants to temporarily vacate the premises, the occupants will be counseled with regarding to vacating the unit temporarily (e.g. by staying with friends or family).
4. Providing information and referral services to individuals who must temporarily leave their homes or businesses.
5. Informing landlords to pay tenant out of pocket expenses for the period of time in which a unit is not habitable.
6. Stage rehabilitation of assisted housing to allow tenants to remain during and after rehabilitation, working with empty buildings or groups of empty units first so they can be rehabilitated first.
7. Establish temporary relocation facilities, if necessary, in order to house families whose displacement will be of short duration.
8. Stage commercial rehabilitation work activities so that the business can continue to serve customers while construction is underway.
9. The property owner will be responsible for providing storage space for their belongings during the rehabilitation work, if necessary.

Relocation Assistance/Permanent Displacement: Any person permanently and involuntary displaced will be subject to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended. The term displaced person means any person (family, individual, business, non-profit organization, or farm) that moves from real property or moves personal property as a direct result of

rehabilitation, demolition, or acquisition for a Small Cities Development Program project. Actions to be taken include:

1. Informing tenants that they may be entitled to relocation payments and other assistance under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (URA).
2. Informing tenants that they may be entitled to additional payments above the URA payment in compliance with requirements of section 104(d) of the Housing and Community Development Act of 1974, as amended. If rehabilitation activities raise the market rent (including utility costs) above the applicable fair market rent established by HUD's Section 8 existing housing program (or the local payment standard for the Section 8 program), then the unit must be replaced and low or moderate income tenants are entitled to additional payments in compliance with section 104(d).
3. Relocation assistance will be provided for lower-income tenants who, in connection with an activity assisted under the Community Development Block Grant, move permanently or move personal property from real property as a direct result of the demolition of any dwelling unit or the conversion of a lower-income dwelling unit in accordance with the requirements of 24 CFR 42.350. A displaced person who is not a lower-income tenant, will be provided relocation assistance in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, and implementing regulations at 49 CFR Part 24.
4. The City of Willmar will replace all occupied and vacant lower-income dwelling units demolished or converted to a use other than lower-income housing in connection with a project assisted with funds provided under the Community Development Block Grant in accordance with 24 CFR 42.375. Before entering into a contract committing the City of Willmar to provide funds for a project that will directly result in demolition or conversion of lower-income dwelling units, the City of Willmar will make public by public notice in the West Central Tribune and submit to HUD and the Minnesota Department of Employment and Economic Development the following information in writing:
 - A. A description of the proposed assisted project;
 - B. The address, number of bedrooms, and location on a map of lower-income dwelling units that will be demolished or converted to a use other than as lower-income dwelling units as a result of an assisted project;
 - C. A time schedule for the commencement and completion of the demolition or conversion.

RESOLUTION NO. 18-96

ADOPTING A SECTION 3 PLAN

Motion By: Nelsen

Second By: Asmus

WHEREAS, The City of Willmar is a recipient of the HUD Community Development Block Grant Program (Small Cities Development Program); and

WHEREAS, the Department of Housing and Urban Development requires its grantees to have a plan in place to direct employment and other opportunities created by the financial assistance received by the City towards low and very low income persons with incomes less than 80% of area median income particularly those who are recipients of government assistance for housing;

NOW, THEREFORE BE IT RESOLVED that the City of Willmar, Minnesota, hereby adopts the Section 3 Plan for the City as attached hereto on this 6th day of August, 2018.

s/s Marv Calvin
MAYOR

ATTEST:

s/s Judy Thompson
CITY CLERK

City of Willmar Section 3 Plan

The City of Willmar, Minnesota, in conjunction with the Small Cities Development Program, has the following plan to direct employment and other economic opportunities generated by HUD financial assistance for housing and community development programs, to the greatest extent feasible, toward low-and very low-income persons, particularly those who are recipients of government assistance for housing.

Section 3 is a HUD requirement that is intended to ensure that when employment or contracting opportunities are available on HUD funded projects, preference is given to low- and very low-income persons or businesses. Being a Section 3 Business is not required, however, preference is given to those businesses.

The City of Willmar will attempt to recruit low-income residents through at least one of the following: local advertising media, signs prominently displayed at the project site, contracts with the community organizations and public or private agencies operating within the City of Willmar in which the Section 3 covered program or project is located, or participate in the one of the HUD program or other program which promotes the training or employment of Section 3 residents, or will participate in a HUD program or other program which promotes the award of contracts to businesses which meet the definition of Section 3.

The City of Willmar will require all contractors to complete and submit the Section 3 Business Certification Form prior to awarding contracts. The City of Willmar will keep a list of Section 3 businesses. While being a Section 3 business is not required for the program, the City of Willmar will give preference to qualified, competitive Section 3 businesses.

Section 3 Business Certification Form

Section 3 is a HUD requirement that is intended to ensure that when employment or contracting opportunities are available on HUD funded projects, preference is given to persons or businesses earning less than 80% of area median income (AMI) as provided by local administrator. Being a Section 3 Business is NOT required, however preference is given to those businesses.

Name of Business _____ Owner(s) of Business _____
Type of Business _____ Address of Business _____
City _____ County _____ State ____ Zip Code _____ Telephone _____

Please answer the following questions:

1. Is your business owned by a person(s) with an annual income below 80% of area median income (AMI)? (local administrators should attach income chart) Note: If there is more than one owner, at least 51% ownership must be by a person(s) below that income level.
☐ Yes Go to Question 2.
☐ No Go to Question 3.
2. What is the 80% AMI or less income owners(s) name(s)? _____. Skip questions 4&5, provide signature, and answer additional required questions.
3. Are 30% of full-time employees earning below 80% area median income?
☐ Yes Skip Question 4 and provide signature and answer additional required questions.
☐ No Go to Question 4.
4. Can you provide documented evidence that if your business does sub-contracting, that more than 25% of the dollar value of all contracts will go to those businesses that are at or below 80% of the area median income?
☐ Yes Sign and date this form and answer additional required questions.
☐ No Sign and date form.

If you answered no to all these questions, you are not a Section 3 Business. You do not have to be a Section 3 Business in order to work on HUD projects.

Business Owner Signature _____ Date _____

If you certify that you are a Section 3 Business, complete the following questions

1. Number of New Hires _____
2. Percentage of New Hires with income below 80% of area median income _____
3. Percentage of New Hire hours completed by persons earning income below 80% of area median income _____
4. Percentage of total staff hours completed by Section 3 Employees and Trainees _____
5. Number of Section 3 Trainees _____
6. In any, what trades do the Section 3 new hires/employees work? Examples: Professionals, technicians, office/clerical, construction. If construction, please indicate specific trade(s)._____

It is a crime to knowingly make false statements to the United States on this or any similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

RESOLUTION NO. 18-97

PROHIBITION OF EXCESSIVE FORCE POLICY

Motion By: Nelsen

Second By: Alvarado

Whereas, Section 906 of the National Affordable Housing Act of 1990 amended Title I of the Housing and Community Development Act of 1974 by adding a new certification entitled *Protection of Individuals Engaging in Non-Violent Civil Rights Demonstrations* and;

Whereas, the language imposed by the 1990 Appropriations Act was retained and additional language was added requiring units of government receiving Community Development Block Grant funds (also known as the Small Cities Development Program in Greater Minnesota) to adopt and implement a policy of enforcing applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of nonviolent civil rights demonstrations within jurisdictions;

Now Therefore Be It Resolved, The City of Willmar, Minnesota prohibits the use of excessive force by law enforcement agencies within its jurisdiction against individuals engaged in nonviolent civil rights demonstrations.

Be It Further Resolved, The City of Willmar, Minnesota also will enforce applicable State and local laws against physically barring entrance to or exit from a facility or location which is the subject of such nonviolent civil rights demonstration within its jurisdiction.

Adopted this 6th day of August, 2018.

s/s Marv Calvin

MAYOR

ATTEST:

s/s Judy Thompson

CITY CLERK

RESOLUTION NO. 18-98

**ADOPTING WILLMAR SMALL CITIES DEVELOPMENT PROGRAM
PROGRAM INCOME AND LOCAL INCOME GENERATED POLICY**

Motion By: Nelsen

Second By: Asmus

WHEREAS, recipients of the Small Cities Development Program are required to adopt a Program Income and Local Income Generated Policy which explains the definition and administration of future Program Income and Local Income generated from the Small Cities Development Program,

NOW THEREFORE BE IT RESOLVED, The City of Willmar establishes the following Program Income and Local Income Generated Policy as a condition of receiving federal Community Development Block Grant funds:

Definitions:

Program Income is defined as income of \$35,000 or more generated by SCDP and federal Minnesota Investment Fund (MIF) funded activities in a federal fiscal year (October 1-September 30).

Local Income is defined as income less than \$35,000 generated in a fiscal year.

Both Program Income and local income generated have restricted reuse and must be reused in a manner consistent with what was stated in the funding application, grant agreement, and the City's required Program Income and Local Income Generated Policy. Program Income and local funds generated could include:

- loan repayments (with interest, if applicable),
- proceeds from the sale of property purchased with SCDP funds,
- interest earned on the Program Income itself, and/or
- fines assessed on SCDP funded contracts.

Reporting: On behalf of the City of Willmar, the Kandiyohi County HRA will complete online Post-Closeout Program Income Reporting annually (by October 15). The purpose of this is to report Program Income received, expended, and the ending balance. If the City of Willmar has multiple activities and/or past grants generating funds, they should be combined for reporting purposes. The City does *not* have to combine funds generated through SCDP grants and Minnesota Investment Fund (MIF) revolving loan fund grant repayments and interest.

These annual reports are required as long as there is a local balance of Program Income or there are outstanding loans/liens payable to the HRA (from the original grant or Program Income). If Program Income funds are revolving, Program Income reporting requirements will continue. However, if income received in any year is less than \$35,000, then those collected funds are no longer Program Income and do not need to be reported (but still have the restrictions for reuse). The HRA will complete the annual on-line reporting even if no funds were collected or expended.

If the HRA collects \$0-\$34,999 in a reporting year, the HRA should report \$0 for on-line Post Closeout Program Income Reporting. These funds are not Program Income; they are local funds generated (and still have reuse restrictions).

If Program Income is expended, the **Post-Closeout Program Income Expenditure Report** will be completed by the HRA and sent to DEED (by October 15). This report is to collect specifics of the eligible activities the Program Income was expended on. This report will include similar information to what is included on annual reports (demographics, income levels, leveraged funds, etc.). The Post-Closeout Expenditure Report does NOT need to be completed if funds were expended on an open SCDP grant. Those accomplishments will be reported on that grant's Annual/Final Report.

Reuse of Program Income and Local Income Generated: All Program Income reuse must follow SCDP program requirements (federal objective, environmental, labor standards, etc.). Program Income and local income generated from previous grants will be used prior to awarded grant funds. Program Income and local income generated will be listed as leverage on applications and is expected to be drawn prior to drawing awarded funds. After closeout, if the City wishes to use Program Income or local income generated for something other than the activities that generated the income, SCDP staff should be consulted.

Establishing & Managing Revolving Funds: A revolving fund is a separate fund with an independent set of accounts used only to track Program Income and local generated funds. Revolving funds may be established for activities approved by SCDP.

- Revolving funds cannot be capitalized directly with grant funds.
- The reuse of such income shall be stated in the administrative contract between the City and the Kandiyohi County HRA.

The HRA will account for Program Income and local income generated from grants separately.

DEED may request information and review the HRA files for local funds generated and Program Income to insure its reuse complies with the grantee's application, funding agreement, and Program Income Plan.

Future SCDP Preliminary Proposal or Full Application preparation is not an eligible use of program income.

Adopted this 6th day of August, 2018.

s/s Marv Calvin
MAYOR

ATTEST:

s/s Judy Thompson
CITY CLERK

RESOLUTION NO. 18-99

RESOLUTION APPROVING NONUNION EMPLOYEES' 2018 THROUGH 2020 BASE PAY AND HEALTH INSURANCE CONTRIBUTIONS

Motion By: Mueske Second By: Asmus

WHEREAS, City of Willmar ("City") employees not represented by an exclusive representative ("nonunion employees") are being paid base pay and contributions to City-provided group health insurance as of the date of this resolution as specified for calendar year 2017 because the City Council has not taken any action for such items for calendar year 2018;

WHEREAS, the City executed in 2018 labor contracts covering 2018 through 2020 with exclusive representatives for employees represented by an exclusive representative that specifies base pay and contributions to City-provided group health insurance for 2018 with increases to such from 2017 retroactive to January 1, 2018;

WHEREAS, the City has an understanding and practice with nonunion employees of providing any changes to base pay and contributions to health insurance, effective January 1 of each calendar year, regardless of when the City approves such changes because their base pay and contributions are calendar-year specific; and

WHEREAS, the City Council must approve base pay and contributions to City-provided group health insurance for nonunion employees for calendar years in which it has not taken formal action on such items.

NOW, THEREFORE, BE IT RESOLVED by the City Council of Willmar that:

1. The base pay ranges and base pay for each nonunion employee be increased by:
 - a. 2%, effective January 1, 2018, for January 1, 2018 through December 31, 2018
 - b. 2%, effective January 1, 2019, for January 1, 2019 through December 31, 2019
 - c. 2%, effective January 1, 2020, for January 1, 2020 through December 31, 2020

2. Other components of base pay for nonunion employees include the following:
 - a. A base pay increase of up to an additional 4% may be given to an employee based upon the employee's years of service and a satisfactory performance review.
 - b. A base pay increase will not be given for a poor performance review. A poor performance review will require the employee and the direct supervisor to develop a performance improvement plan and should be reviewed again with-in six (6) months in order to determine whether a base pay increase should be given.
 - c. New employees will receive a base pay increase of up to 4% upon a satisfactory six-month review
3. The City will contribute up to the following for nonunion employees for City-provided group health insurance:
 - a. For January 1, 2018 through December 31, 2018
 - i. The following monthly for single coverage:
 1. The amount of the premium for employees enrolled in the Traditional or H.S.A. plan
 2. \$713.00 for employees enrolled in the Double Gold Plan
 - ii. The following monthly for family coverage:
 1. \$1,672.26 for employees enrolled in the 100/300 Deductible Plan or the Double Gold Plan
 2. \$1,086.50 for employees enrolled in the H.S.A. plan
 - iii. \$2,700 in monthly increment into an employee's H.S.A. for employees enrolled in single coverage in the H.S.A. plan
 - iv. \$5,400 in monthly increment into an employee's H.S.A. for employees enrolled in family coverage in the H.S.A. plan
 - v. If an employee enrolled in the H.S.A. plan experiences a hardship during the year he/she may ask in writing to the City Administrator for the City's full annual or a portion contribution to be deposited into the employee's health savings account.
 - B. For January 1, 2019 through December 31, 2020
 - i. The following for single coverage:
 1. The premium for employees enrolled in the H.S.A. plan
 2. The maximum amount the City paid in the preceding calendar year plus 50% of the increase in premiums for employees enrolled in the same or similar replacement plans other than the H.S.A. plan
 - ii. The following for family coverage:
 - a. The premium for employees enrolled in H.S.A. plan

- b. The maximum amount the City paid in the preceding calendar year plus 50% of the increase in premiums for employees enrolled in the same or similar replacement plans other than the H.S.A. plan
 - ii. The greater of the annual deductible amounts or legal annual contribution limit in monthly increments into an employee's H.S.A. for employees enrolled in single or family coverage in the H.S.A. plan. If the annual deductible amounts for the H.S.A. plan are greater than the legal annual contribution limit, then the difference between the two will be paid to the employee or their healthcare provider or as otherwise authorized by law.
 - iii. If an employee enrolled in the H.S.A. plan experiences a hardship during the year he/she may ask in writing to the City Administrator for the City's full annual contribution to be deposited into the employee's health savings account.
- 4. This resolution supersedes all current or prior policies addressing the subject matters addressed in this resolution.

Dated this 6th day of August, 2018.

s/s Marv Calvin
Mayor

Attest:

s/s Judy Thompson
City Clerk